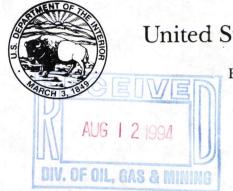
5/027/051



United States Department of the Interior

BUREAU OF LAND MANAGEMENT WARM SPRINGS RESOURCE AREA 35 East 500 North P.O. Box 778 Fillmore, Utah 84631



IN REPLY REFER TO:

3800 (U-055) UTU-070654

August 10, 1994

LYNN SPAFFORD
NATURAL RESOURCE HOLDING COMPANY LLC
SUITE 150
230 S 500 E
SALT LAKE CITY UT 84102

Dear Mr. Spafford:

The amendment to your notice for placer mining on unpatented mining claim, Red Bone, UMC serial number 349585, located in NW4, Sec. 1, T. 19 S., R. 14 W., SLBM, was received by this office on July 27, 1994. Your notice is assigned case file number UTU-070654. Please use this number in future correspondence concerning your notice.

A copy of your amendment has been sent to the Utah Division of Oil, Gas and Mining (UDOGM); therefore, you will not have to file this amendment with them. A copy of your amendment has also been sent to the Utah Department of Environmental Quality, Division of Water Quality (DWQ). Prior to the commencement of the proposed activity, all appropriate state water quality permits need to be obtained from the Utah Department of Environmental Quality, Division of Water Quality, located at: 288 North 1460 West, Salt Lake City, Utah 34114-4870

We have rejected your amendment and are returning it to you. Upon review, the information contained in the amendment was regarded as inadequate. The following information needs to be provided for reconsideration of your proposal by this office.

1. Your amendment proposes to use mercury amalgamation of heavy mineral concentrates to recover free gold. Mercury is a hazardous substance as defined in RCRA (Resource Conservation Recovery Act). Reportable quantities are in 40 CFR § 302.4, and release report requirements are in 40 CFR § 372.85. The reportable release quantity is 0.2 ppm.

Since amalgamation requires concentrations of mercury greater than 0.2 ppm, an emergency recovery plan is required. It is not enough to state no mercury will be discharged into the soil, water, or atmosphere. The

recovery plan should address reporting, recovery, handling, and disposal of contaminated soil in the event of an accidental spill.

Information regarding hazardous materials can be obtained from the State of Utah, Department of Environmental Quality, Division of Solid and Hazardous Waste at: 288 North 1460 West, Salt Lake City, Utah 84114-4880

The above ground fuel tanks, proposed in your amendment, need to be placed in a poly-lined retainer with 50% reserve capacity over the total capacity of the fuel tanks.

Occupancy of a mining claim is required to meet the "reasonably incident" standard. Under your present 5 acre or less notice level operation, the decision to authorize a permanent structure, as proposed in your amendment, will receive further evaluation.

If you have any questions regarding this letter, please feel free to contact Rody Cox at (801) 743-6811. Thank you for submitting your notice.

Sincerely,

Rex Rowley Area Manager

Les Louly

Enclosure:
Notice (p. 5)

cc: D. Wayne Hedberg, UDOGM
Kiran L. Bhayani, DWQ
Jerry Reagan, Millard County Planning and Zoning